



COLORADO

Department of Natural Resources

Executive Director's Office
1313 Sherman Street, Room 718
Denver, CO 80203

To: Senate Agriculture, Natural Resources, and Energy Committee members
House Agriculture, Livestock, and Natural Resources Committee members
From: Mike King, Executive Director
Date: January 23, 2014
Re: Department Responses to SMART Act Hearing Questions

On December 11, 2014, the Colorado Department of Natural Resources (DNR) presented before the Senate Agriculture, Natural Resources, and Energy Committee and the House Agriculture, Livestock, and Natural Resource Committee of the 69th General Assembly as required under the SMART Government Act, HB 10-1119. DNR outlined its goals of achieving increased transparency, accountability, and efficiency through the presentation of: (1) Department strategic plans, (2) the annual budgeting process, (3) its Regulatory Agenda, and (4) the role of the Office of State Planning and Budgeting (OSPB) in the budgeting process, as specified in C.R.S. 24-1-110,

This memorandum contains responses to questions posed by members of the Joint Agriculture and Natural Resources Committee during the hearing.

General Department Questions

1) Overview of DNR's 2014-2015 Legislative Proposals (Requested by Sen. Schwartz):

At the time of the SMART Act hearing, DNR was considering pursuing legislation on the following topics:

Species Conservation Trust Fund : Would fund habitat improvement, research, and monitoring for threatened and endangered species via annual bill.

CWCB Projects Bill: Would provide water project grants and loans via annual bill.

Reauthorization of Habitat Partnership Program: Would re-authorize funding utilized by Colorado Parks and Wildlife for the purpose of land management and improvement to reduce wildlife conflict and associated mitigation.

Pilot Project for SB 14-023: Would encourage water efficiency by facilitating transfer of water savings to instream flow program via pilot program.

Oil and Gas Well Reclamation: Would ensure that State has resources under existing mill levy to plug any abandoned oil and gas wells.

Purchase of CPW's Glenwood Springs Office: Would authorize spending authority to purchase property on which a CPW-owned building sits at a below-market price.



Changes to Hunter Education Requirements: Would remove barriers and recruit more hunters by, for example, offering hunter education certificate reciprocity to non-resident hunters and creating hunter apprenticeship licenses for first time hunters.

Energy & Mineral Revenues from CPW Properties: Would address income from one-time, non-renewable resources developed from CPW properties in a responsible way.

Spending Authority to Maintain State-Trust Properties: Would authorize spending from existing Investment and Development Fund to maintain state-owned assets such as buildings, fences, water wheels, and other infrastructure.

2) Status and Oversight of Colorado Geologic Survey (Requested by Rep. Fisher):

The Colorado Geological Survey (CGS) is located on the Colorado School of Mines (CSM) campus at 1801 19th Street in Golden. On November 4, 2014, Karen Berry was appointed as Colorado State Geologist and CGS Director. Ms. Berry is a Professional Geologist in Colorado and Wyoming, a certified Professional in Storm Water Quality and a certified Professional in Erosion and Sediment Control by EnviroCert International, and a Certified Planner by the American Institute of Certified Planners within the American Planning Association. She has worked at CGS since 1999 and has held positions including engineering geologist, land use program manager, and deputy director. Ms. Berry had served as interim director of the CGS since 2013. She can be reached at 303-384-2640 or kaberry@mines.edu and general information about CGS is available at www.coloradogeologicalsurvey.org.

3) Details on Lean Projects (Requested by Rep. Mitsch Bush):

The DNR Performance Plan for FY15-16 discusses the Department's process-improvement efforts and lists a few recent Lean projects within DNR. Below is a brief update on these and other DNR Lean projects.

DNR Employee On-Boarding

This project will create a common process with the fewest handoffs and approvals to ensure efficient hiring of temporary and permanent employees for all DNR agencies. The project will evaluate the point at which an employee accepts a position to the point when the employee can fully operate as a DNR agency employee.

COGCC Complaint Process

The COGCC complaint process is not well defined internally or externally, is inefficient, and is not sufficiently transparent. As a result, the COGCC will roll out a new complaint process in January 2015 based on a Lean process improvement that will build a complaints webpage off of the COGCC's main website, provide guidance to the public on that webpage related to the complaint process including how to file a complaint, create a central complaint intake team at the COGCC, and develop internal standard operating procedures for all aspects of the complaint process.

SLB Delinquent Lease and Lease Cancellation Process

While the percentage of delinquent leases is low, the State Land Board's process for delinquent leasees was not consistent between leasing types and generally took 3 to 6 months. Improvements included a 50% reduction in undeliverable (returned) late payment notices, a reduction in late bills placed on hold for lack of complete information, and standardized late and cancellation notices.

SLB Rights-Of-Way Processing

This project evaluated the State Land Board's process for siting, approving, and issuing rights-of-way contracts across state trust land. The State Land Board reduced the average processing time by more than two weeks (>25% improvement) by reducing the number of staff site visits, simplifying ROW forms, and reducing manual entry and manual manipulation of mapping data.

DRMS Permitting Process

The minerals section at DRMS did not use a standardized process to issue permits, and the Lean project clarified the areas of inconsistencies and identified a single standardized process that improved service to the regulated community.

CPW Call Center

Currently, CPW receives an estimated 100K+/yr telephone calls and + 9K/yr emails that are handled by three different call center teams, very recently co-located. This project will focus on reducing the number of abandoned and transferred calls in order to increase usage and revenue from State Parks and Wildlife areas.

CWCB's Water Application Review Process

CWCB is required by law to protect water rights it holds on behalf of Coloradans by filing statements of opposition to water court applications that may injure instream flow water rights. This process requires (1) monthly review of all water court resumes; (2) preparation of numerous documents; (3) Board ratification of staff decisions to file in water court; and (4) maintenance of an accessible public record of the CWCB's actions. CWCB will look to streamline the statement of opposition process with the goals of:

(1) reducing review and processing time by 20%; (2) establishing an efficient protocol for CWCB and Attorney General reviews and court filing of documents; and (3) delegation of simple tasks to reduce layers in the process.

DWR Employee Training

DWR has held a training session for employees to explain the Lean process and to encourage employees to come forward with processes that could be improved through efficiency measures identified and developed via Lean.

Colorado State Land Board

1) Maintenance Needs of SLB Properties (Requested by Sen.-elect Sonnenberg):

Since the late 1980s, the State Land Board (SLB) has acquired and consolidated several large “standalone” ranches and farming operations. Currently, the SLB owns nine such large properties,¹ which contain considerable infrastructure including:

Improvement	Quantity
Fence (miles)	564
Stockwater Pipeline (miles)	176
Road (miles)	96
Wells	100
Stock Tanks	153
Center Pivot Sprinklers	17
Irrigation Pipeline (miles)	11
Dwellings	23
Corrals	11
Barns/Sheds	15
Windmills	13

The large property infrastructure requires regular re-investment to maintain current revenue and the value of these assets. These properties earn more revenue than properties without state-owned improvements.

¹ These properties include the Big Springs Ranch, Bohart Ranch, Brett Gray Ranch, Chancellor Ranch, Chico Basin Ranch, Cure Brothers Lease, Lowry Ranch, Sod Farm, and TJ Bar Ranch.

Colorado Parks and Wildlife

1) Comparison of in-state vs. out-of-state hunting licenses (Requested by Sen. Tochtrop):

For deer, elk, and pronghorn combined (which make up over 90% of all hunting licenses) non-resident licenses make up approximately 27% and resident licenses make up approximately 73% of the total. These figures are based on FY 2013-14 license sales.

2) Comparison of in-state applications vs. out-of-state applications for hunting licenses (Requested by Sen. Schwartz):

Overall, in 2014, 69.8% of applications were from residents and 30.2% were from nonresidents. The percentages vary considerably by the type of hunt, location, season, etc. (please see attached PDF - Q2 Applications by Residency 2014.pdf).

3) Request that the CPW place greater emphasis on youth engagement in Strategic Plan to promote the development of future environmental stewards (Requested Sen. Schwartz):

CPW recognizes the importance of youth engagement and as is reflected in the Divisions Strategic Plan (Path Forward Document) that was presented to the Joint Agriculture and Natural Resource Committee in 2014. The CPW Commission has subsequently established new youth recruitment programs as well as approving increased expenditures to existing youth programs.

4) Provide the amount expended on the Gunnison Sage Grouse via the Species Conservation Trust Fund (Requested by Sen. Schwartz):

Through FY 2013-14, CPW has spent approximately \$1.5m on Gunnison Sage Grouse via the Species Conservation Trust Fund.

5) Provide information on the number of habitat stamps sold other than those sold with hunting and fishing licenses (Requested by Sen. Tochtrop):

Prior to 2009, purchase of a Habitat Stamp was required to recreate on State Wildlife Areas or State Trust Lands. In 2009, SB 09-235 C.R.S. eliminated the Habitat Stamp requirement to hike or camp on State Wildlife Areas or State Trust Lands.

For the year prior to this change in legislation (2008), the Division estimates that approximately 675,000 individuals purchased habitat stamps. Of these, approximately 12,000 individuals purchased a stamp without applying for or purchasing a hunting or fishing license.

6) Provide the amount of leveraged dollars in the habitat partnership program (Requested by Sen. Schwartz):

The Colorado Wildlife Habitat Protection Program (CWHPP) offers landowners funding opportunities for projects on their property that provide strategic wildlife habitat protection, and/or, provide wildlife-related recreational access to the public. The CWHPP is an incentive-based and voluntary program that utilizes Conservation Easements, Access Easements and Agreements, Management Plans, and in some situations fee title purchases.

Since the Habitat Stamp's legislative inception in 2006, the Colorado Wildlife Habitat Protection Program has made the following expenditures by funding source.

Funding Sources	Total	% of Total
GOCO Wildlife Purpose Funds	62,296,525	36%
Other agency funds (game cash)	16,132,967	9%
Habitat Stamp	30,340,530	17%
Federal	9,169,004	5%
Other , non-agency funds	12,029,756	7%
Donated Land Value	45,031,897	26%
	<hr/> 175,000,678	<hr/> 100%

Colorado Oil & Gas Conservation Commission

- 1) Provide information on all enforcement actions including the details of the violation, company, amount of fines, and location of the well (Requested by Sen. Buck):

Executive Order D 2013-004 directed the COGCC to provide an annual report to the Governor "on all violations, any and all penalties imposed regarding violations, and the rationale for the calculation of final penalty assessments, including fines." COGCC submitted the 2014 report on December 10, 2014 that provides statistics through October 28, 2014, the last Commission meeting before the due date.

http://cogcc.state.co.us/announcements/Hot_Topics/Enforcement/2014_Exec_Order_D_2013-004_Report.pdf

Colorado Water Conservation Board

- 1) Provide additional details on the \$13.5 million in FY 2013-14 of "Total dollar value of funding sought" from the WSRA (p. 122). What was the driver of this as it was a significant increase compared to prior years? (Requested by Sen. Schwartz):

The additional detail for the \$13,541,818 in FY 2013-14 of "Total dollar value of funding sought" from the WSRA is provided on Attachment A. The spreadsheet on Attachment A is a listing of the basin, dollar amount requested from the Basin Account and/or Statewide Account for WSRA, as well as the date of the funding requests. The driver of the increase over the prior year was generated by the need for funds for the recovery of areas and infrastructure affected by the 2013 flood and for funding to prepare the draft for eight Basin Implementation Plans.

The WSRA grant process is competitive, and the CWCB expects that more requests will be submitted in the future. However, the total grant funding sought has not exceeded the grant funding available during the last five fiscal years. It is anticipated that the demand for funds from this program will increase as projects and methods from each Basin Roundtable Implementation Plan is put into action. These plans will offer solutions for how each basin's future water needs will be addressed at the local level. The WSRA is capped to receive \$10 million in new revenues per year, and as a Severance Tax Tier II funded program, it has not always received this full allocation. (Severance Tax Tier II programs are subject to reductions when there is insufficient Operational Fund revenue to fully fund all Tier II programs.) Therefore, it is not designed to grow with increasing demands on this grant program.

- 2) Bottom of page 127-128, radiometer to be leased for purchase near Vail and Beaver Creek for this year's ski season (winter of FY 2014-15). How will the legislature be notified as to how this process is working, costs, estimates, etc. (Rep. Mitsh-Bush):

A radiometer is passive data-collection instrument, similar to a weather balloon, which looks into the atmosphere and provides real-time data. There are 300 radiometers collecting data around the world, but only three are located in Colorado. The radiometer is the opposite of radar and is blinded by precipitation but can see cloud-water vapor. It is small and portable and can view up to seven kilometers into the atmosphere. The CWCB issued a state purchase order for \$39,000 for an eight-month lease project with a purchase option at the end of the lease in the amount of \$150,000. The cost to purchase the instrument outright is \$181,000.

The radiometer that is being used by the CWCB in Colorado is currently located in Eagle/Vail on top of Homestake Peak Experiential School and will be there from December 10, 2014 through March 30, 2015. The purpose of using the radiometer in this area is to look at cloud-water vapor to determine which clouds to seed, and to assist in taking the guess-work out of cloud seeding.

A recent \$14 million, nine-year cloud-seeding research project was completed by the Wyoming Water Development Commission. The report became available on their website on December 10th. In a general sense, the results indicate that cloud-seeding can provide 5% - 15% more snow, but only from 30% of the storms that have clouds that are able to be seeded. Radiometers and high resolution weather models were used to determine which clouds to seed. The CWCB's current radiometer project is a continuation of CWCB efforts working with Colorado River Basin downstream states to provide funding and expertise to help locally sponsored cloud seeding programs develop and modernize to improve efficiency and effectiveness.

If funding is approved for the purchase, the radiometer will be moved around and will be shared among the Colorado, Gunnison, and Southwestern cloud-seeding programs. Reports and published papers from contractors, which are required by DNR Weather Modification Permitting Program Rules will discuss the use of the radiometer. Atmospheric and cloud weather data is useful in many other conditions such as flash floods, fire weather, aviation, and pollution-forecasting.

The raw data from the radiometer is available from Radiometrics Corporation in Boulder, Colorado or the CWCB. The data for the winter project can be viewed in real-time through a free program called Team Viewer. Since the data is readily available, the CWCB can provide information regarding how this process is working, costs, estimates, etc., as requested.

3) Please send the Watershed Protection section of the CO Water Plan(Sen. Crowder):

The watershed health section of the draft Colorado Water Plan is located at:
https://www.colorado.gov/pacific/sites/default/files/Chapter%207_0.pdf

Please see Attachment B for a copy of the Watershed Protection section of the draft Colorado Water Plan.